

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 L-03 STR-04 AID-05 CIAE-00 COME-00
EB-08 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02
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EO 11652 : N/A

TAGS : PGOV EWWT MX US

SUBJ : SQUEEZE PLAY AGAINST NAVIMEX FOREIGN STOCKHOLDERS

REFS : A) MEXICO A-16, 2/2/6; B) MEXICO 675

1. DECISION REACHED AT JANUARY 22 SAN FRANCISCO MEETING OF NAVIMEX FOREIGN STOCKHOLDERS IS THAT THEY ARE NOT AGAINST THE GRADUAL AND ORDERLY TRANSFER OF THEIR NAVIMEX SHARES TO MEXICAN OWNERSHIP, PROVIDED THEIR INTERESTS ARE PROTECTED. THIS COURSE OF ACTION WAS ADOPTED TO PRECLUDE A SITUATION WHICH MIGHT ADVERSELY EFFECT THEIR OTHER INTERESTS AND INVESTMENTS IN MEXICO. STOCKHOLDERS DISCUSSED THE POSSIBILITY OF PUBLICIZING THE PROBLEM, BUT DECIDED AGAINST DOING SO EXCEPT AS A LAST RESORT SHOULD THEY BE UNABLE TO REACH AGREEMENT WITH GOM ON SELLOUT PROPOSAL. XAUDARO OF GSC EXPECTS TO CALL ON UNDER-SECRETARY VELARDE WEEK OF JANUARY 30 TO INFORM HIM OF DECISION AND THAT PROPOSAL THEREON WILL BE SUBMITTED SHORTLY.

2. STOCKHOLDERS ENVISAGE FIVE TO TEN YEAR TRANSFER PERIOD. ACCORDING TO XAUDARO THEIR INVESTMENT IS ESTIMATED AT APPROXIMATELY \$9 MILLION (3 MILLION IN OPERATING CAPITAL AND 6 MILLION IN VESSELS AND EQUIPMENT).

STOCKHOLDERS ALSO HOPE TO REPLACE SOLE MEXICAN STOCKHOLDER MARTIN GARRIA URTIAGA WITH HIS SON JAVIER URTIAGA IN EFFORT TO

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IMPROVE MANAGEMENT OF THE COMPANY.

3. FOREIGN STOCKHOLDERS ARE VERY SUSPICIOUS THAT MEXICAN PARTNER URTIAGA IS BEHIND SQUEEZE PLAY, WITH VELARDE AS WILLING ACCOMPLICE. URTIAGA APPARENTLY VIEWS COMPLETE MEXICAN OWNERSHIP AS THE ONLY MEANS OF BREAKING INTO BRAZIL TRADE AND OBTAINING GOM ASSISTANCE. URTIAGA REPORTEDLY MENTIONED GOM AS POTENTIAL BUYER. OSC AND JL,

HOWEVER, FAVOR SELLING TO MEXICAN INVESTMENT GROUP, GIVEN THE
GOM'S FINANCIAL SITUATION.
JOVA

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Message Attributes

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Sent Date: 27-Jan-1977 12:00:00 am
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